THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (g) The information is being collected and will be laid on the Table of the House to the extent available.

Future commodity derivative markets

399. SHRI SHARAD ANANTRAO JOSHI: Will the Minister of FINANCE be pleased to state:

(a) the number and names of countries in the world that have future commodity derivative markets;

(b) the volume of agricultural and non-agricultural commodities trade transacted by each of the commodity exchanges;

(c) the aggregate measure of support for the farmers in the countries that have commodity exchanges;

(d) the aggregate measures of support for the farmers in countries that do not have commodity futures derivative markets;

(e) the cost per transaction on each of these commodity exchanges; and

(f) the incidence of and the rate of commodity transaction tax prevailing in each of those countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) There are about 35 major commodities exchanges in the world. Brazil, US, Argentina, Canada, Malaysia, Japan, Thailand, China, Dubai, India, Pakistan, Singapure, Netherlands, United Kingdom, Germany, France, Hungary, Australia, etc. are the countries in which major commodity exchanges are located.

(b) The volume of agriculture and non agriculture commodities traded by the major Commodity Exchanges in the world is given in Statement-I (*See* below).

(c) and (d) Details of the aggregate measures of support for the farmers in countries that have commodity futures derivative markets are given at Statement-II (*See* below)

(e) The details of transaction charges on some major Commodity Exchanges are at Statement-III (*See* below).

(f) As per the information available with Forward Markets Commission, the Regulator for commodity futures trading, the commodity transaction tax is not applicable in any of the countries except Taiwan. Taiwan imposed a transaction tax of 0.05% on the value of all futures contract. The Taiwan Futures Exchange immediately lost trading volume to the Singapore Exchange. In 2000. Taiwan reduced its transaction tax to 0.025% and in 2005 further reduced the CTT to 0.01%. But more importantly, in Taiwan, the Stocks and Commodity Derivatives are traded on the same Exchange, namely TAIFEX, and the commodity derivatives volume is negligible (mainly gold) i.e. 0.003% of the total Commodity Derivatives volume in the world. The total tax collected by Taiwan Government from CTT in 2007 was a meager sum of US$ 17,071.

Statement-I

The volume of agriculture and non agricultural commodities transacted at major Commodity Exchanges of the World.

Table No 1: Traded Volumes in Commodity Exchanges in 2007

Traded Volumes in Commodity Exchanges (in number of contracts)

Sl. No.			Total	Agricultural	Non-Agriculture
1	2	3	4	5	6
1.	Mercado a Termino De Buenos Aires	Argentina	177,564	177,564	—
2.	Mercado a Termino De Rosario	Argentina	25,423,950	25,423,950	—
3.	BM and F	Brazil	2458631	2,211,693	246,938
4.	Winnipeg Commodity Exchange	Canada	3,452,165	—	3,452,165
5.	Budapest Stock Exchange	Hungary	13,239	13,239	—
6.	LIFFE Derivatives Market	Amsterdam	12,850,137	12,850,137	—
7.	LIFFE Derivatives Market	Paris	1,699,530	1,699,530	—
8.	LIFFE Derivatives Market	UK	11,084,318	11,084,318	—
9.	ICE Futures	UK	138,470,956	—	138,470,956
10.	London Metal Exchange	UK	92,914,728	—	92,914,728
11.	MCX	India	68,945,925	4,937,651	64,008,274
12.	NCDEX	India	34,947,872	33,118,967	1,828,905
13.	Dalian Commodity Exchange	China	185,614,913	185,614,913	—
14.	Shanghai Futures Exchange	China	85,563,833	—	85,563,833
15.	Zhengzhou Commodity Exchange	China	93,052,714	—	93,052,714
16.	Kansai Commodity Exchange	Japan	164,743	—	164,743
17.	Central Japan Commodity Exchange	Japan	6,549,417	7,077	6,542,340
18.	Tokyo Commodity Exchange	Japan	47,070,048	—	47,070,048
19.	Tokyo Grain Exchange	Japan	19,674,883	19,674,883	—
20.	New York Mercantile Exchange	USA	353,385,412	—	353,385,412
21.	Chicago Board of Trade	USA	173,136,156	161,616,421	11,519,735
22.	ICE Futures	USA	49,981,695	49,981,695	—

1	2	3	4	5	6
23.	Chicago Mercantile Exchange	USA	20,557,218	—	20,557,218
24.	Kansas City Board of Trade	USA	4,670,955	4,670,955	—
25.	Minneapolis Grain Exchange	USA	1,826,807	1,826,807	—

Source: FIA (Jan-Dec, 2007)

Statement-II

Aggregate measure of support for farmers in the countries that have commodity derivative markets.

Sl. No.	Name of the Country	Aggregate Measure of Support (AMS) Commitment level of Aggregate Measure of Support to agriculture as per cent of GDP agriculture 1998
1.	Brazil	1.6
2.	US	12.6
3.	Argentina	0.34
4.	Canada	26.3
5.	Japan	43.45
6.	Australia	2.94
7.	Thailand	2.98

Aggregate measure of support Source: - Chand, Ramesh and Philip, Linu Mathew, 2001. Subsidies and Support in World Agriculture: Is WTO Providing Level Playing Field? National Centre for Agricultural Economics and Policy Research, New Delhi Policy Brief No. 14

Statement-III

Transaction Costs on major Commodity Exchanges in the World.

Transaction Cost: A Global Comparison (Cost Comparison of a Sale of Rs. 100000)

Exchanges	Country	Exchange Fee	Service Tax	Regulatory Fee	Stamp Duty	CTT	Others Charge	Total Cost
1	2	3	4	5	6	7	8	9
MCX	India	2.00	0.25	Nil	1.00	17.00	Nil	20.25
NYMEX	USA	0.74	Nil	0.07	Nil	Nil	Nil	0.81

1	2	3	4	5	6	7	8	9
CBOT	USA	2.93	Nil	0.25	Nil	Nil	Nil	3.18
ICE	USA	0.82	Nil	Nil	Nil	Nil	Nil	0.82
TOCOM	Japan	1.23	Nil	Nil	Nil	Nil	0.06	1.29
CZCE	China	4.76	Nil	Nil	Nil	Nil	Nil	4.76
NYBOT	USA	2.41	Nil	0.40	Nil	Nil	Nil	2.82
CME	USA	2.66	Nil	0.18	Nil		Nil	2.84
DCE	China	3.64	Nil	Nil	Nil	Nil	Nil	3.64
MDEX	Malaysia	2.89	Nil	Nil	Nil	Nil	Nil	2.89
WINNEPEG	Canada	5.62	Nil	Nil	Nil	Nil	Nil	5.62

Source: Working Paper No. 216-ICRIER

The above table shows the Transaction Costs in the Major leading Exchanges of the world. None of the Exchanges have as yet levied a Commodities Transaction Tax.

The table is sourced from a Working Paper No. 216 by Indian Council for Research on International Economic Relations (ICRIER) titled 'impact of proposed Commodity transaction tax on Futures trading in India. The paper is jointly written by Pravakar Sahoo and Rajiv Kumar.

Note: Relevant details for NCDEX and NMCE, the other two National Commodity Exchanges are as follows:-

Exchanges	Country	Exchange Fee	Service Tax	Regulatory Fee	Stamp Duty	CTT	Others Charge	Total Cost
NYMEX	India	3.00	0.37	—	1.00	17.00	—	21.37
NMCE	India	2.50	0.25	—	1.00	17.00	—	20.75

Non-filing of income tax returns

400. SHRI PRAKASH JAVADEKAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has set up a mechanism which enables them to find out the details of persons not filing income tax returns;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir.